

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento CA 95814



May 22, 1995

ALL-COUNTY INFORMATION NOTICE

I-26-95

TO: COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: FOOD STAMP CORRECTIVE ACTION PLAN

Attached for your information is a copy of California's Food Stamp Corrective Action Plan (CAP) which was sent to the Food and Consumer Service (FCS) as required by federal regulations.

State Original Error Rate (SOER) findings of quality control (QC) payment errors for Federal Fiscal Year (FFY) 1994, October 1993 through September 1994, are presented in this plan. The SOER for this period which includes issuances to ineligible, overissuances and underissuances was 9.8 percent. This is 0.9 percentage points higher than the previous review period of October 1992 through September 1993.

In Part I of this plan, we present an overview of state level error reduction activities. Part II discusses county error rate data for the 34 largest counties and an overview of county level error reduction efforts.

We appreciate the hard work and attention you have directed toward accuracy improvement in the Food Stamp Program. We will make every effort to assist you in maintaining Food Stamp error rates below sanctionable levels.

If you have any comments or questions about this Plan, please contact Mr. Ron Thoreson, Chief, Operations Improvement Bureau at (916) 445-2154.

Bruce Wagstaff

BRUCE WAGSTAFF
Acting Deputy Director
Welfare Programs Division

Attachment

c: CWDA

**FOOD STAMP PROGRAM
CORRECTIVE ACTION PLAN**

October 1993 - September 1994

**CALIFORNIA DEPARTMENT OF
SOCIAL SERVICES**

MAY 1995

PART I

STATE LEVEL ACCURACY IMPROVEMENT

1. ERROR RATE DATA ANALYSIS

For the October 1993 through September 1994 review period, California's Food Stamp combined payment error rate (CPER) which includes issuances to ineligible, overissuances, and underissuances was 9.8 percent (see Chart 1). This CPER is 0.9 percentage points higher than the CPER for the previous review period of October 1992 through September 1993. The case error rate also showed a slight increase from 28.2 to 28.4 percent for the current period (see Chart 1).

The increase in the CPER for the October 1993 through September 1994 review period was a result of an increase in the ineligible/overissuance component which increased 0.4 percentage points from 5.6 to 6.0 percent (see Chart 1). The underissuance component showed little change from the prior review period, decreasing from 3.6 to 3.3 percent (see Chart 1).

The error rate findings for the October 1993 through September 1994 review period are based on a sample size of 1,199 cases. The average monthly caseload subject to review during this period was 1,242,901 cases.

California's 12 month CPER of 9.8 percent is 1.02 percentage points lower than the most current federal tolerance level of 10.82 percent based on national error rate performance for Federal Fiscal Year (FFY) 1993.

Chart 2 displays CPER error element concentrations for the current 12 month period. For the current period, the leading cause of dollar errors was Wages and Salaries followed by Living Arrangement/Household Composition. For the last three review periods, the leading error elements have been Wages and Salaries, Shelter Deductions, and Living Arrangement/Household Composition. These three elements accounted for 61.4 percent for the current CPER, a decrease from 63 percent of the prior review period.

The contribution of Wage and Salaries to the CPER increased from 25.1 percent to 27.4 percent. The second leading error element, Living Arrangement/Household Composition, decreased from 23.5 percent to 18.4 percent. The third leading error element, Shelter Deduction, also decreased from 15.8 percent to 15.6 percent.

We are pleased to see a continued drop in the Shelter Deduction element. At 15.6 percent of the CPER, this is its lowest contribution to the CPER in the last five review periods. We attribute this to a previously implemented statewide corrective action, as well as various individual county corrective actions targeted at this error element. We are hopeful that a recently implemented policy change to simplify casework procedures in situations where clients have shelter cost changes but do not actually move, will further impact this error category in future review periods.

Chart 3 displays error element concentrations for the Ineligible/Overissuance component of the CPER. Wages and Salaries was again the leading cause of errors, accounting for 33.2 percent of this component. Chart 4 displays comparable information for the Underissuance component. For Underissuances, the top error element was Shelter Deduction. This element accounted for 24.6 percent of the Underissuance component. The second leading element, Household Composition, accounted for 22.1 percent of the Underissuance component.

Agency caused errors increased from 58.2 to 69.1 percent for the current review period as shown in Chart 5. Chart 6 provides a breakdown of Agency and Client causes for both case and dollar errors for the current period. The largest cause of Agency dollar errors was Failure to Take Action, accounting for 48.5 percent of all dollar errors, an increase from 40.0 percent in the earlier review period.

The Operations Improvement Bureau has been focusing on ways to reduce Agency Failure to Take Action errors as part of its management evaluations described in Corrective Action S-42-QC in section 3, Part I of this Plan.

Chart 7 displays negative error rate information. The most recent negative error rate available (FFY 1993) was 3.8 percent.

Effective January 1988, the Review and Integrity Branch of the California Department of Social Services (CDSS) required analysts to attempt collateral contacts in all quality control (QC) sample cases with a food stamp denial or discontinuance not supported by case record documentation. These collateral contacts serve to validate some county negative actions which would previously have been cited as errors.

In addition, the Integrated Review and Improvement Study (IRIS) has included a negative action component since 1984. Through case review, the IRIS identifies cases erroneously denied or discontinued due to an incorrect application of the regulations, or cases that do not have sufficient documentation to support the negative action. Based on the case review findings, the IRIS team conducts a system review to identify the main elements contributing to the erroneous or insufficiently documented negative actions. In recent years, IRIS team members have worked closely with county staff to alert them to and help them resolve the factors contributing to these deficiencies. In addition, the IRIS process includes a written follow-up procedure, the county Program Improvement Response (PIR), to ensure that counties take action on the identified program deficiencies. An onsite evaluation of the county's PIR is also conducted during the subsequent IRIS review. We feel the QC collateral contact requirement and the IRIS review of negative actions have contributed to the downward trend in the negative error rate and plan to continue both of these activities.

CHART 1

FOOD STAMP PAYMENT AND CASE ERROR RATES ORIGINAL STATE FINDINGS

Combined Ineligibles, Overissuances and Underissuances

<u>Period</u>	<u>Payment Error</u>	<u>Case Error</u>
April 1989 - September 1989	10.9	26.6
October 1989 - March 1990	10.9	28.2
April 1990 - September 1990	12.6	28.8
October 1990 - March 1991	10.1	26.5
April 1991 - September 1991	9.7	27.0
October 1991 - March 1992	8.8	25.8
April 1992 - September 1992	10.7	30.5
*October 1992 - September 1993	8.9	28.2
*October 1993 - September 1994	9.8	28.4

Combined Ineligibles and Overissuances

<u>Period</u>	<u>Payment Error</u>	<u>Case Error</u>
April 1989 - September 1989	7.0	14.5
October 1989 - March 1990	6.7	14.8
April 1990 - September 1990	8.6	16.0
October 1990 - March 1991	6.5	14.3
April 1991 - September 1991	6.2	15.3
October 1991 - March 1992	5.3	12.8
April 1992 - September 1992	7.1	15.7
*October 1992 - September 1993	5.6	15.4
*October 1993 - September 1994	6.0	15.5

CHART 1 (Continued)

FOOD STAMP PAYMENT AND CASE ERROR RATES ORIGINAL STATE FINDINGS

Underissuances

<u>Period</u>	<u>Payment Error</u>	<u>Case Error</u>
April 1989 - September 1989	3.9	12.1
October 1989 - March 1990	4.2	13.4
April 1990 - September 1990	4.0	12.8
October 1990 - March 1991	3.6	12.2
April 1991 - September 1991	3.5	11.7
October 1991 - March 1992	3.5	13.0
April 1992 - September 1992	3.6	14.8
*October 1992 - September 1993	3.3	12.8
*October 1993 - September 1994	3.8	12.9

*Annual Data

CHART 2

FOOD STAMP

ERROR CONCENTRATIONS FOR OVERISSUANCES, INELIGIBLES, AND UNDERISSUANCES

October 1993 - September 1994

<u>Error Element</u>	<u>Percent of Total Misspent Dollars*</u>	<u>Payment Error Rate*</u>	<u>Projected Annual Cost</u>
1. Wages and Salaries (311)	27.39	2.68	65,584,391
2. Household Composition (150)	18.43	1.80	44,049,218
3. Shelter Deduction (363)	15.62	1.54	37,686,553
4. PA or GA (344)	5.24	.52	12,725,468
5. Unemployment Compensation (334)	4.68	.46	11,257,022
6. Standard Utility Allowance (364)	4.17	.40	9,788,096
7. Contributions/Income in Kind (342)	3.87	.38	9,299,279
8. Citizenship and Alienage (130)	3.18	.32	7,830,972
9. RSDI Benefits (331)	2.71	.26	6,362,665
10. Child and Dependent Care (323)	2.37	.24	5,873,229
11. Educational Grants/Loans (345)	2.37	.23	5,628,511
12. Residency (140)	1.89	.18	4,404,922
13. Other Government Benefits (336)	1.79	.17	4,160,204
14. Combined Gross Income (371)	1.42	.14	3,426,050
15. Other Unearned Income (346)	1.42	.14	3,426,050
16. Self-Employment (312)	1.36	.13	3,181,332
17. Bank Accounts or Cash (211)	.78	.08	1,908,799
18. Other Basic Program Req. (000)	.75	.07	1,713,251
19. Arithmetic Computation (520)	.51	.05	1,101,230
20. Veterans Benefits (332)	.07	.01	244,718
	100.00%	9.80%	\$239,823,513

*Percents may not add to totals due to rounding.

CHART 3

FOOD STAMP

ERROR CONCENTRATIONS
FOR OVERISSUANCES AND INELIGIBLES

October 1993 - September 1994

<u>Error Element</u>	<u>Percent of Total</u> <u>Misspent Dollars*</u>	<u>Payment</u> <u>Error Rate*</u>	<u>Projected</u> <u>Annual Cost</u>
1. Wages and Salaries (311)	33.21	1.96	47,964,704
2. Household Composition (150)	16.03	0.94	23,003,480
3. Shelter Deduction (363)	9.78	0.59	14,438,354
4. PA or GA (344)	8.63	0.51	12,480,611
5. Unemployment Compensation (334)	5.11	0.30	7,341,536
6. Contributions/Income in Kind (342)	4.32	0.26	6,362,665
7. RSDI Benefits (331)	3.21	0.19	4,649,640
8. Residency (140)	3.10	0.18	4,404,922
9. Standard Utility Allowance (364)	2.44	0.14	3,426,050
10. Combined Gross Income (371)	2.33	0.14	3,426,050
11. Child or Dependent Care (323)	2.22	0.14	3,426,050
12. Unearned Income (346)	2.21	0.13	3,181,332
13. Self-Employment Income (312)	2.14	0.12	2,936,615
14. Other Government Benefits (336)	1.42	0.08	1,957,743
15. Bank Accounts or Cash (211)	1.29	0.08	1,957,743
16. Other Basic Program Req. (000)	1.24	0.07	1,713,025
17. Arithmetic Computation (520)	.77	0.04	978,872
18. Citizenship and Alienage (130)	.42	0.02	489,430
19. Veterans Benefits (332)	.12	0.01	244,718
	100.00%	5.90%	\$144,383,540

*Percents may not add to totals due to rounding.

CHART 4

FOOD STAMP

ERROR CONCENTRATIONS FOR UNDERISSUANCES

October 1993 - September 1994

<u>Error Element</u>	<u>Percent of Total Misspent Dollars*</u>	<u>Payment Error Rate*</u>	<u>Projected Annual Cost</u>
1. Shelter Deduction (363)	24.64	0.96	23,492,916
2. Household Composition (150)	22.15	0.87	21,290,455
3. Wages and Salaries (311)	18.39	0.71	17,374,969
4. Citizenship and Alienage (130)	7.46	0.29	7,096,819
5. Standard Utility Allowance (364)	6.85	0.27	6,607,383
6. Educational Grants/Loans (345)	6.02	0.23	5,628,511
7. Unemployment Compensation (334)	4.02	0.16	3,915,486
8. Contributions/Income in Kind (342)	3.16	0.12	2,936,615
9. Child or Dependent Care (323)	2.58	0.10	2,447,179
10. Other Government Benefits (336)	2.35	0.09	2,202,461
11. RSDI Benefits (331)	1.93	0.07	1,713,025
12. Other Unearned Income (346)	.18	0.01	244,718
13. Self-Employment (312)	.17	0.01	244,718
14. Arithmetic Computation (520)	.11	0.01	244,718
	100.00%	3.90%	\$ 95,439,973

*Percents may not add to totals due to rounding.

CHART 5

FOOD STAMP CASE AND DOLLAR ERRORS AGENCY/CLIENT DISTRIBUTIONS

PERIOD: OCTOBER 1992 - SEPTEMBER 1993

		<u>CASE ERRORS</u>	<u>DOLLAR ERRORS</u>
Ineligibles, Overissuances and Underissuances Combined	Agency:	70.0%	58.2%
	Client:	30.0	41.8
	Total:	100.0	100.0
Ineligible and Overissuances Combined	Agency:	55.8	46.3
	Client:	44.2	53.7
	Total:	100.0	100.0
For Underissuances	Agency:	89.3	85.2
	Client:	10.7	14.8
	Total:	100.0%	100.0%

PERIOD: OCTOBER 1993 - SEPTEMBER 1994

		<u>CASE ERRORS</u>	<u>DOLLAR ERRORS</u>
Ineligibles, Overissuances and Underissuances Combined	Agency:	75.0%	69.1%
	Client:	25.0	41.8
	Total:	100.0	100.0
Ineligible and Overissuances Combined	Agency:	60.3	54.4
	Client:	39.7	46.6
	Total:	100.0	100.0
For Underissuances	Agency:	93.6	93.6
	Client:	6.4	6.4
	Total:	100.0%	100.0%

CHART 6

FOOD STAMP CASE AND DOLLAR ERRORS AGENCY/CLIENT CAUSE DISTRIBUTIONS October 1993 - September 1994

	<u>CASE ERRORS</u>	<u>DOLLAR ERRORS</u>
FOR INELIGIBLES, OVERISSUANCES AND UNDERISSUANCES		
<u>Agency Errors:</u>		
Failure to Take Action.....	53.6	48.5
Policy Incorrectly Applied.....	17.0	16.9
Arithmetic Computation.....	00.7	00.2
Other Agency Errors.....	03.7	03.5
Total.....	75.0%	69.1%
<u>Client Errors:</u>		
Information Not Reported.....	19.2	25.6
Reported Information is Not Correct..	05.8	05.3
Total.....	25.0%	30.9%
FOR INELIGIBLES AND OVERISSUANCES		
<u>Agency Errors:</u>		
Failure to Take Action.....	40.4	40.6
Policy Incorrectly Applied.....	14.6	10.3
Arithmetic Computation.....	01.3	00.3
Other Agency Errors.....	03.9	02.1
Total.....	60.2%	53.3%
<u>Client Errors:</u>		
Information Not Reported.....	30.5	38.4
Reported Information is Not Correct..	09.2	08.2
Total.....	39.7%	46.6%
FOR UNDERISSUANCES		
<u>Agency Errors:</u>		
Failure to Take Action.....	74.4	64.8
Policy Incorrectly Applied.....	22.2	29.3
Arithmetic Computation.....	00.0	00.0
Other Agency Errors.....	03.4	05.9
Total.....	100.0%	100.0%
<u>Client Errors:</u>		
Information Not Reported.....	75.0	86.4
Reported Information is Not Correct..	25.0	13.6
Total.....	100.0%	100.0%

CHART 7

FOOD STAMP NEGATIVE ERROR RATE ORIGINAL STATE FINDINGS

<u>Period*</u>	<u>Error Rate</u>
October 1983 - September 1984	2.54%
October 1984 - September 1985	4.43
October 1985 - September 1986	5.96
October 1986 - September 1987	9.30
October 1987 - September 1988	12.57
October 1989 - September 1990	8.30
October 1990 - September 1991	6.60
October 1991 - September 1992	5.30
October 1992 - September 1993	3.80
October 1993 - September 1994	NA

* Federal Fiscal Year (FFY) data are presented for all review periods. There is no negative error rate for FFY 1989. The negative error rate sample was discontinued during that year because California, represented by San Diego County, participated in a nationwide study of Food Stamp negative actions.

2. OVERVIEW OF STATE ACCURACY IMPROVEMENT ACTIVITIES

The administration of California's Food Stamp program is by County Welfare Departments (CWDs) which operate under the guidance of the California Department of Social Services (CDSS). CDSS takes a unique approach to accuracy improvement when compared to other states that are directly accountable for program administration.

Corrective action consultant staff at the Operations Improvement Bureau (OIB) support, motivate, and monitor county level error reduction activities recognizing that the most effective efforts generally occur at the level of service delivery. OIB staff perform a wide variety of county level accuracy improvement activities, as well as planning, developing and implementing state level corrective action.

The following is an overview of some of the ongoing accuracy improvement activities occurring at the state level.

Income and Eligibility Verification System (IEVS): IEVS supplies the counties with a broad range of automated verification methods. This information is used to verify eligibility for both applicants and recipients and thereby, to identify potential fraud. Computer wage data from within California and throughout the nation helps identify Social Security benefits, unearned income from bank accounts or other investments, and duplicate aid.

The IEVS system represents a merger of three computer match networks that were already in place: the Integrated Earnings Clearance/Fraud Detection System which identifies unreported wages and duplicate aid for AFDC, Food Stamp and SSI/SSP recipients; the Payment Verification System which supplies information on recipients who receive or will receive Retirement Survivors Disability Insurance, Unemployment Insurance or Disability Insurance; and the Asset Match System which compares the welfare recipient file against the State Franchise Tax Board's interest and dividend file.

In 1990, the knowledge available to counties in wage and asset matching was expanded to include nationwide wages and investment income. Nationwide wage data is sent to counties monthly from the Beneficiary Earnings Exchange Record (BEER). Information from the Internal Revenue Service (IRS) asset matches, including information on out-of-state investments, is provided to counties annually.

In December 1991, the applicant system added the Wire-to-Wire Third Party Verification system which provides social security number validation and Title II and XVI benefit information via computer link between California and Baltimore.

In addition to the above matches, CDSS has added the Systematic Alien Verification for Entitlement (SAVE) and the Homeless Assistance Program Indicator (HAPI) systems. SAVE verifies immigration status of all aliens who apply for and/or are recipients of AFDC and Food Stamps. HAPI creates a data base of Homeless Assistance recipients to prevent duplicate or incorrect payments.

Currently, the CDSS is pilot testing the USDA Food Stamp Disqualification system and a statewide property match system known as DATAQUICK. The disqualification information will be available through IEVS and the property match will be available on a case-by-case basis when testing is complete.

The Fraud Bureau also conducts periodic reviews of IEVS operations in counties to discuss IEVS related issues. Quarterly meetings are held with county IEVS Coordinators. At these IEVS "user" meetings, forthcoming changes to IEVS are discussed and IEVS problems are identified. Counties provide a valuable source of input to improve the IEVS system.

In July of 1993, legislation passed that provided 100 percent state funding for IEVS processing, with no county costs to participate. The legislation required counties to submit an operating plan for CDSS approval prior to the release of 100 percent funding. To date, approximately 45 counties representing over 95% of California's welfare caseload are participating.

Fraud Early Detection Program: California has long had a formal pre-eligibility fraud detection program, called Fraud Early Detection (FRED). The FRED Program provides for investigative personnel to be situated in direct physical access to intake units, so as to provide expeditious investigative service to those units. The program is separate and parallel to the intake function and does not interfere with normal intake procedures or delay the timely payment of benefits.

Prior to 1991, slightly less than half of California's counties participated in this program. In July of 1991, legislation passed that provides for 100 percent state funding, with no county costs to participate. This legislation required counties to submit an operating plan for CDSS approval prior to the release of 100 percent funding. To date, 48 counties representing over 95 percent of California's welfare caseload are participating.

Since implementation of the 100 percent funding provision, FRED generated program, denials and reductions in benefits have exceeded 40,000 cases a year. This results in an increased estimated annual savings of \$60 million in erroneous Food Stamp issuances.

Review and Evaluation Bureau: The Review and Evaluation Bureau's (REB) goal is to reduce quality control caused errors in the sample by more accurately identifying true errors in the Food Stamp Federal Sample and creating a more accurate Management Information System (MIS). REB is moving toward full automation of the Quality Control (QC) system to replace manual processes.

The steps REB is taking toward full automation are:

- Automating sample selection
- Automating integration
- Automating data base inquiries
- Automating ordering of third party collateral information
- Streamlining the worksheet for Integrated AFDC and Food Stamps QC Review Facesheet (QC 1), including preprinted statements in certain elements.
- Automating the QC 1, which will replace the hard copy worksheet and schedule with a data file.
- Downloading Napa County's case file information to the data file, also known as the automated QC 1.
- Completing the Integrated Review Schedule by migration of data from the QC 1.

Eventually, REB will have a complete statewide central database, wherein REB will have direct on-line access to all county case file information, as well as statewide sample and case integration capability. REB's automation efforts allow CDSS to gather relevant information from clients to address emerging issues and the possible necessity for change in the Food Stamp program.

REB has created software for QC 1 automation. The software includes prompts for the analyst that will yield a help screen with QC documentation standards. The automated QC 1 will enable analysts to produce more consistent, accurate documentation in a shorter timeframe.

REB is creating a comprehensive Analyst Training Package covering all aspects of the QC analyst's job function for new staff and for experienced employees as a refresher. The Training Team is initially focusing on the development of the QC 1 elements. A brief overview will be created with an introduction and an overview of each module. The Integrated Standards Handbook will be revised to compliment the Analyst Training Package. This comprehensive Analyst Training Package will benefit the QC process by reaffirming policies and procedures, which in turn will result in more complete and uniform case reviews.

The Accuracy Improvement (AIM) Unit Clearinghouse Library: The OIB encourages counties to share information and ideas. A Clearinghouse of corrective action products has been operational since 1987. The contents of the Clearinghouse represents the efforts of counties and other entities to design work products that emphasize error prevention and reduction, as well as corrective action. These products have been effective tools for the counties that designed them and may be beneficial to other counties as well. Some products were developed in regional corrective action workshops attended by county, state, and federal staff. In addition, the Clearinghouse serves as a vehicle for the distribution of products developed as a result of state level corrective action.

Products in the Clearinghouse are continually updated. They are classified under the following headings: AFDC Eligibility, CA-7 Processing, Case Review/Supervisory Review, Caseload Management, Choosing the Right Corrective Action, Client Caused Errors, Corrective Action Committees, Evaluation, Error-Prone Profiles/Identifying High Risk Factors, Food Stamp Eligibility, Fraud Prevention, Problem Solving, Time Management, Training, and Worker Performance Standards/Employee Expectations.

Clearinghouse products are available to counties upon request. OIB consultants are familiar with these products and often suggest appropriate items to counties.

Regional Eligibility Worker and Eligibility Supervisor Conferences: OIB staff work jointly with county staff to develop and present eligibility worker and eligibility supervisor conferences. The first regional eligibility worker conference took place in July 1988. Since that time, numerous eligibility worker and supervisor conferences have occurred at various locations throughout the state. Currently, four regional eligibility worker conferences occur each year.

The primary objectives for these conferences and field days are to heighten participant awareness of corrective action issues and to enhance networking among welfare professionals. All have been very successful.

Problem Solving Training: To assist counties in developing the necessary problem solving skills for effective error reduction, OIB makes several types of training sessions available to counties.

One of these is the "Nine-Step Problem Solving Workshop." This is a full day workshop designed to teach problem solving skills to supervisors, lead eligibility workers, managers and other staff directly involved in corrective action planning. Participants work in small groups to analyze problems, identify causes, and develop solutions including implementation and evaluation plans.

The OIB also presents a half-day workshop especially for county line staff. This workshop, "Quality Control/Accuracy Improvement Awareness Training," provides eligibility workers and supervisors with information about the QC process in their county and about skills they can use to solve problems at the unit, district office or departmental level. This training focuses on helping line staff realize that they can make a difference in lowering California's error rate.

Production of these and other training sessions is a cooperative effort by both state and county staff. Participants in these workshops not only enhance their problem solving skills, they also enjoy the opportunity to network and share ideas with other welfare professionals.

3. STATUS OF PRIOR CORRECTIVE ACTIONS

This part of the Plan presents information on the progress of previously implemented corrective actions. They are:

S-42-QC	Review of Action on Reported Changes
S-44-QC	QC Error Case Correction Project
S-46-QC	Large Eight Error Reduction Project
S-47-QC	Corrective Action Follow-Up on IRIS - Identified Issues
S-48-QC	The Committee for Inter-Agency Action

Number

S-42-QC

Title

Review of Action on Reported Changes

Description

The continuing module, which has been a regular part of the Integrated Review and Improvement Study (IRIS), was expanded effective FFY 1990 to include a review of systems which are key in preventing errors which occur when workers fail to act on reported changes. Initially, the three systems which were examined include: 1) the CA-7 process, 2) supervisory reviews, and 3) procedures for handling uncovered caseloads. Based on preliminary data, effective with FFY 1991, the uncovered caseload system review was replaced with a review of eligibility worker training. In addition, as failure to act on reported changes was a major source of statewide errors, the Seven-County project also reviewed how the large counties have tackled this problem (see S-46-QC for details of this project).

The statewide Failure to Take Action, agency caused case error rates and dollar error rates for the last four periods are:

	<u>Case</u>	<u>Dollar</u>
April 1991 - September 1991	44.8	44.4
October 1991 - March 1992	48.9	46.8
April 1992 - September 1992	42.4	38.8
October 1992 - September 1993	48.7	40.0

These figures indicate a 6.3 percent and a 1.2 percent increase statewide, respectively, for the current report period. However, since counties do not currently report the numbers or dollars associated with "failure to act errors", we do not know if individual counties are benefiting from IRIS' review of Action on Reported Changes. For this reason, we committed to revise our evaluation methodology as follows:

Counties were originally to be asked to tabulate and report Failure to Take Action errors in their six month corrective action plans (CAP) beginning with those due in November 1993. We had planned to assess county specific "Failure to Act" progress with this update data. Instructions to counties were pended, however, because we are considering overall format changes to the county CAP process due to a reduction of the AIM and IRIS functions.

Implementation Status

Evaluate modual effectiveness/
make Improvements

-Completed October 1990

Issue summary report

-Completed May 1991

Request counties to track and
report Failure to Take Action
errors as part of their regular
corrective action plans.

Revised Evaluation
Date-November 1995

Evaluate county-specific
corrective action reports for
impact on this error trend.

Revised Evaluation
Date-November 1995

Number

S-44-QC

Title

QC Error Case Correction Project

Description

Integrated Review and Improvement Studies (IRIS) conducted in FFY 1989 revealed that many counties were not correcting error cases identified in Federal Sample QC reviews. This is a serious concern. Correction of error cases is an important component of casework accuracy and an essential step to prevent additional error citations should the case be selected again for QC review.

To assist counties in developing and implementing an effective case correction procedure, the Welfare Program Integrity Branch (now Review and Integrity Branch) conducted a review of county welfare departments' practices in the correction of individual case errors. The purpose of this review was to discover the constraints which may be impeding the correction of individual case errors and to identify effective procedures and monitoring systems. A report summarizing the findings and highlighting successful county practices was sent to all counties in May 1991. Through county inquiries and other contacts with the counties, we believe that some counties have utilized the information that was generated to establish their own improved systems for case correction.

As noted in our prior report regarding this CAP, the IRIS teams have continued to check on the correction of QC Federal Sample errors in each county reviewed to document the county procedures in place for correcting these errors and to make recommendations for improvements. Based on the IRIS reviews, the rate of correction for the 12 counties reviewed in the prior 6 month period was 76 percent. This period, the number of counties reviewed was 9 and the rate decreased to 54 percent.

As a result of this data, the Operations Improvement Bureau which conducts the IRIS reviews, will be implementing two changes to this action. First, counties will be held to submitting documentation of a claim or a restoration form, in addition to the systems/process improvements as is now the practice before their corrective action will be deemed acceptable. (See S-47-QC)

Second, the Accuracy Improvement Unit will work in tandem with the IRIS teams on this problem. The consultants will include as part of their county visits, a validation of case correction.

One of the benefits of having the AIM Unit assist with this action is that case correction can be checked on much more timely than is possible with the IRIS reviews, which are on a three year schedule. Large counties are reviewed annually, unless exempted, and medium and small counties every second and third year, respectively.

The added attention to this area by this department should convey to the counties the importance of case correction.

Implementation Status

- | | |
|---|---|
| Survey counties on case correction procedures | - Completed December 1990 |
| Analyze survey findings | - Completed January 1991 |
| Conduct on-site analysis of case correction procedures in selected counties | - Completed March 1991 |
| Analyze findings and develop recommendations | - Completed April 1991 |
| Prepare report of findings/successful procedures and send to counties | - Completed May 1991 |
| Include a QC Error Case Correction Module in county IRIS reviews | - Continued through the FFY 1994 reviews |
| Require counties to begin submitting documentation of case correction as part of their IRIS | <ul style="list-style-type: none">- Because of a 20% reduction in IRIS staff which became effective FFY 1994, implementation of this additional activity has been delayed.- We will assess the impact of this change and if possible to perform with the reduced staff, implement the change by August 1995. |

Implementation Status

AIM Consultants to
include validation of
error case correction as
part of county visits

- Implemented 5/93 and will
be continued.

Evaluate rate of completion

- August 1995

Number

S-46-QC

Title

Large Eight Error Reduction Project

Description

The title of this project has been changed from the Seven County Partnership Effort to the Large Eight Error Reduction Project. Since FFY 1986, California's Food Stamp error rate exceeded the national average and the federal tolerance level. The Food and Nutrition Service (FNS), the California Department of Social Services (CDSS), and several counties collaborated on a new project to reduce Food Stamp error rates in the seven largest caseload counties in an effort to bring the statewide error rate below the federal tolerance level in FFY 1991.

The seven original counties which agreed to participate in this project were: Alameda, Fresno, Los Angeles, Orange, Sacramento, San Bernardino and San Diego.

FNS, CDSS, and the original seven counties committed to short term and long term error reduction actions. FNS agreed to consider all county and CDSS recommendations for review and revision of problematic federal policies, procedures and program provisions. FNS committed to pursue program improvements within their legal and fiscal constraints. Counties committed to refocusing their energies on operations improvements and contributing to CDSS and FNS project activities. CDSS modified its IRIS schedule and scope to allow an expanded IRIS review in each of the largest seven counties. An IRIS error reduction module was added to focus on reducing the reviewed county's error rate and/or assess the effectiveness of corrective actions already underway and/or assess the transferability of exemplary practices into or from the reviewed county. County management collaborated with CDSS IRIS staff to prescribe the focus of the error reduction module. AIM consultants also intensified their contacts and activities with these counties.

This corrective action has been extended and expanded to include an error reduction module in the IRIS reviews beginning with the 1994 FFY for all large counties scheduled for review. The counties were able to benefit from this module in large part because they were directly involved in determining the aspects of

their operations to be included in the error reduction review. In this way counties were able to utilize the expertise of IRIS team members and their own staff working together to attempt to resolve county error source.

In December 1992, the Large Eight Error Reduction Project was developed. This was done because of the success of this project in the seven counties. Six of the seven counties from the Big Seven Project are participating in the Large Eight Error Reduction Project. The one exception is San Diego County, which reduced its Food Stamp error rate from 12.5 percent to 6.5 percent in October 1991 through March 1992 and 5.9 percent in April through September 1992. FNS rules allow any large county to be exempt from an IRIS review if its error rate is two percent or more below the last federal tolerance level (the 1991 FY tolerance level was 10.31 percent). Joining the six remaining counties to comprise the Large Eight Error Reduction Project are San Joaquin and Tulare Counties.

The California Final Federal FFY 1993 error rate was 9.06 percent. This was the first time since Underissuances were added to the FFER that California has achieved a single digit FS payment error rate. The State's Plan will continue to report on this corrective action during the life of this project.

Implementation Status

Compile barriers to Food Stamp
Program integrity and brainstorm
suggestions for eliminating/
mitigating them

- Completed May 1991

Meet with seven large counties to
discuss ways to pursue above
suggestions

- Completed August 1991

Meet with seven large counties to
secure commitment to project

- Completed October 1991

Meet with seven large counties to
discuss specific project goals and
tasks

- Completed January 1992

All seven counties will have an
IRIS review with an error reduction
module added to the normal IRIS
scope. This will begin in October
1991 and continue through
September 1992

- Completed October 1992

All large counties reviewed in
FFY 1993 will have an error
reduction module included in
their IRIS

- Completed October 1993

All large counties reviewed in
FFY 1994 will have an error reduction
module included in their IRIS

- Completed October 1994

Number

S-47-QC

Title

Corrective Action Follow-Up on IRIS-Identified Issues

Description

Prior to October 1990, counties expressed growing confusion and frustration with the disjointed process that had evolved for reporting corrective action on Integrated Review and Improvement Study (IRIS) findings. Basically, counties had eight different organizations in the Department to communicate with and eight distinct processes in place. In response to this concern and the increasing instance of repeat findings, the Operations Improvement Bureau (OIB) volunteered to be responsible for corrective action follow-up with counties on IRIS issues beginning with the FFY 1990 reviews.

Effective with the FFY 1991 IRIS reviews, OIB implemented a formal process and a special form called a Program Improvement Response (PIR) for counties to use in documenting IRIS corrective action. PIRs are due 60 days from the date of the IRIS report. OIB reviews PIRs for appropriateness and monitors for closure. Monitoring involves phone discussions, procedures review and on site county visits, based on the severity of the problems identified and the availability of OIB resources. In addition, all open PIRs are routinely monitored at every subsequent IRIS.

Effective with the FFY 1993 reviews, the PIR process was modified. OIB now enters the specific deficiency and recommended solution on each PIR form before releasing them to the county. The county receives a package of PIR forms that simply require completion of the last section, i.e., the corrective action. This change should reduce county delays in the dissemination of the PIR forms to their appropriate units for completion and allow counties more of the 60 day timeframe to plan and implement successful corrective action.

The October 1992 enhancement to the PIR process is expected to improve county submittal of completed PIRs within the allotted 60 days. As noted, the PIR process was developed to ensure corrective action was taken on IRIS findings. Having this process should reduce the number of findings which we see repeated from review to review.

Implementation Status

<u>Item</u>	<u>Milestone</u>
Implement PIR process	- Completed October 1991
Initiate enhancements to PIR process	- Completed October 1991
Determine if there has been an improvement in the number of counties submitting PIRs within the 60 day time frame	- Data indicates there has been an improvement in the number of counties providing PIRs on time.
Determine if there has been a decrease in repeat IRIS findings	- Since we foresee the PIR process will continue to be an ongoing regular activity of the OIB, and data indicates favorable process - this concludes our reporting on this CAP.

Number

S-48-QC

Title

The Committee for Inter-Agency Action

Description

In January 1995, the Accuracy Improvement (AIM) Unit of the Operations Improvement Bureau (OIB) initiated a project involving Fresno, Kern and Tulare Counties for the purpose of improving their Food Stamp error rates. These counties have been experiencing higher than normal Food Stamp error rates for several review periods.

AIM's review of the corrective action plans submitted by these three neighboring counties revealed that they were experiencing similar error problems and trends. AIM also felt that each of these counties had valuable corrective action strategies to share with each other.

The counties named this effort The Committee for Inter-Agency Action (CIA). Its goal is to improve the corrective action processes and quality control error rates in Fresno, Kern and Tulare counties through information sharing, mutual support and task development. The project committee consists of the corrective action liaison from each of the counties (who are also the quality control manager of their county) and AIM staff.

The committee decided as its first task, it would review and share the counties' error problems and previously implemented corrective actions. It was also decided that the counties would share effective quality control or error reduction strategies not currently being used by, but of interest to, the other counties.

Because of mutual problems surrounding seasonal farmworker cases and numerous errors resulting from these cases, the counties decided to compile their policy questions concerning seasonal farmworker cases and discuss them.

To date, the project committee has completed several of its established tasks. AIM staff shared a history of the counties' error rates and trends and an overview of their previous corrective actions. The counties then provided more in-depth explanations of individual corrective actions that were of interest to the other counties.

Each county also described a major strength or strategy characterizing its approach to error reduction. For Fresno, a major strategy is the promotion of accountability from eligibility workers to program managers and the aggressive development and implementation of pertinent training and technical products. For Tulare, a major strength is the use of a personal computer program to maintain quality control error data for the department and each of its five district offices. This cumulative data program is invaluable to the county's Stamp Out Problems (STOP) committee (a corrective action committee) for determining the source of errors and deciding what errors to tackle.

The preliminary evaluation of The Committee for Inter-Agency Action indicates that the sharing of information on strategies to error reduction is beneficial to all three counties. The counties will continue to strive towards improving their corrective action process and focus on reducing the FS payment error rates.

Implementation Status

<u>Item</u>	<u>Milestone</u>
Establish project committee	- Completed January 1995
Establish project goals	- Completed January 1995
Analyze Tulare, Kern and Fresno Counties' error rates and trends	- Completed January 1995
Analyze findings and develop committee tasks	- Completed January 1995

Implementation Status

Item

Milestone

Share effective error
reduction strategies
and procedures

- Completed January 1995

Evaluate corrective
actions in Tulare, Kern
and Fresno Counties

- Projected completion in
September 1995.

PART II

COUNTY LEVEL ACCURACY IMPROVEMENT

1. INDIVIDUAL COUNTY ERROR RATES

The cumulative payment error rates (CPEs) resulting from the individual county QC reviews for the October 1993 through September 1994 review period is shown on Chart 8. This information assists the AIM consultants in identifying error rate trends in the counties over time and recognizing superior or improvement performance.

California has 34 QC counties. Of these, the majority of them reported their QC error rates for the October 1993 through September 1994 period. However, several counties did not report error rates because they were involved in implementation of an Interim Statewide Automated Welfare System (ISAWS).

Samples for all of the individual county QC reviews (except Los Angeles) were randomly selected by the counties using the same master file which is used to draw the federal QC Sample. Because of its large caseload size, error rates for Los Angeles County are derived from its portion of the federal sample.

CHART 8

FOOD STAMP PAYMENT ERROR RATES
FOR INELIGIBLES AND OVERISSUANCES,
UNDERISSUANCES, AND CUMULATIVE
OCTOBER 1993 - SEPTEMBER 1994

<u>County</u>	<u>Ineligibles and Overissuances</u>	<u>Underissuances</u>	<u>Cumulative*</u>
Alameda	7.9	2.2	10.1
Butte	NA	NA	NA
Contra Costa	NA	NA	7.5
Fresno	9.8	4.5	14.3
Humboldt	0.1	4.0	4.1
Imperial	8.2	8.6	16.8
Kern	4.8	2.5	7.3
Kings	2.4	3.5	5.9
Los Angeles	7.9	5.1	13.0
Madera			ISAWS
Mendocino			ISAWS
Merced	6.7	3.6	10.3
Monterey	8.3	2.5	10.8
Orange	8.3	2.7	11.1
Placer	1.5	2.5	4.0
Riverside	2.9	2.4	5.3
Sacramento	4.9	3.0	7.9
San Bernardino	6.0	2.9	8.9
San Diego	7.0	3.8	10.8
San Francisco	5.9	3.7	9.6
San Joaquin			ISAWS
San Luis Obispo	5.6	2.6	8.2
San Mateo	6.7	3.0	9.7
Santa Barbara	4.3	2.4	6.7
Santa Clara	NA	NA	NA
Santa Cruz	2.1	1.0	3.1
Shasta			ISAWS
Solano	3.7	2.6	6.3
Sonoma	3.8	2.0	5.8
Stanislaus	4.9	1.8	6.7
Tulare	7.6	4.2	11.8
Ventura	4.2	2.3	6.5
Yolo	5.6	1.8	6.4
Yuba	3.0	1.4	4.4

Data source information: Data from the State QC sample for all counties except Los Angeles. Los Angeles County data is from the federal QC sample.

* Ineligible and overissuance percentages and underissuances percentages may not add to cumulative error rates due to rounding.

NA: Not available.

2. OVERVIEW OF COUNTY ACCURACY IMPROVEMENT ACTIVITIES

As a major error reduction activity, California counties prepare and submit Corrective Action Plans (CAPs) to the OIB twice a year. Plans are due February 1 and August 1 of each year. These CAPs constitute a major part of California's error reduction efforts. We believe that because county staff are directly involved in program administration at the local level, they are best able to analyze local problems and focus available resources for effective error reduction. Information on specific actions initiated by counties can be obtained by reviewing the CAPs submitted by the individual counties.

Each county is assigned an Accuracy Improvement (AIM) Unit Consultant who reviews and evaluates the CAPs submitted by his or her respective counties and responds with detailed written comments. Consultants also communicate with their counties through telephone contacts and in-person visits. Because many effective error reduction activities occur at the county level, the role of the consultant is twofold: to help counties maintain their commitment to accuracy improvement, and to assist them in acquiring the problem solving skills and tools necessary to develop effective corrective action.

Most of the 34 counties shown on Chart 8, had active corrective action committees during the October 1993 through September 1994 review period. A significant part of accuracy improvement activities in these counties involves the work of the corrective action committees which typically meet monthly to identify problems, generate ideas, develop solutions and review the effectiveness of prior corrective actions. Another major activity of these committees is to generate and maintain staff motivation for error reduction and error prevention. AIM consultants frequently attend these meetings to assist committees with their corrective action efforts.

To further assist county staff in developing the necessary skills to reduce errors, AIM consultants work jointly with county staff to present problem solving training workshops. Two training formats are utilized: the Quality Control/Accuracy Improvement Awareness Workshop and the Nine-Step Problem Solving Workshop.

The Quality Control/Accuracy Improvement Awareness Training is a half-day workshop especially for eligibility staff. It provides them with information about the quality control process in their county and about skills they can use to solve problems at the unit level. The Nine-Step Problem Solving Workshop is a full day training session designed to teach enhanced problem solving skills to supervisors, lead eligibility workers, managers and other staff directly involved in corrective action planning. The basic format is modified to meet the needs of the individual county.

In addition to participating in training to hone their problem solving skills, staff of California counties also enhance their error reduction capabilities by working together in regional networking groups. Participation here allows counties to gain information, discuss mutual concerns, and share solutions to common problems. Currently there are six networking groups throughout the State: the Bay Area Quality Control/Corrective Action Committee, the Northern County Corrective Action Committee, Southern Counties AFDC Task Force, the Southern Counties Quality Control/Corrective Action Subcommittee, the Southern Counties Food Stamp Task Force, and the Valley Nine Network. AIM consultants regularly attend these meetings to share information and lend their support.

County line staff also network through participation in regional conferences. AIM consultants assist county regional groups in presenting five conferences each year.

These regional conferences provide line staff with the opportunity to share common concerns, discuss corrective action ideas, and acknowledge their key role in California's error reduction efforts.

The Operations Improvement Bureau Clearinghouse is another vehicle for sharing error reduction ideas. Corrective action products and tools are described in the Clearinghouse Catalog and are made available to counties and other organizations upon request.

In summary, California's error reduction efforts are broad based. The common thread running through all these activities is an emphasis on assisting county staff in acquiring the skills, tools and motivation required for accurate casework.